1

AN ACT

SENATE BILL NO. 537

## BY SENATOR LUNEAU

2	To amend and reenact Code of Civil Procedure Articles 4272 and 4521, relative to
3	placements of a minor's funds from settlements or judgments; to provide for court
4	order and approval concerning payment into the court registry, structured
5	agreements, investments, trusts and other actions for funds from such judgments or
6	settlements; to provide certain terms, conditions, procedures, requirements and
7	effects; and to provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. Code of Civil Procedure Articles 4272 and 4521 are hereby amended and
10	reenacted to read as follows:
11	Art. 4272. Court approval of payments to minor
12	A. In approving any proposal by which money will be paid to the minor as
13	the result of a judgment or settlement, the court may order that the money be paid
14	directly into the registry of the court for the minor's account, to be withdrawn only
15	upon approval of the court and to be invested directly in an investment approved by
16	the court.
17	B. In approving any proposal by which money will be paid to an
18	unemancipated minor who is in the legal custody of the Department of Children and
19	Family Services, the court shall order that the money be placed in trust in accordance
20	with the Louisiana Trust Code and the provisions of Article 4269.1.
21	C.(1) In approving any proposal by which money will be paid to the minor
22	as the result of a judgment or settlement, the court may order that the money be paid
23	under a structured settlement agreement which provides for periodic payments and
24	is underwritten by a financially responsible entity that assumes responsibility for
25	future payments.
26	(2) In determining whether a proposed payment schedule is in the best
27	interest of the minor, the court shall consider the following factors:

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1	(a) Age and me expectancy of the minor.
2	(b) Current and anticipated financial needs of the minor.
3	(c) Income and estate tax implications.
4	(d) Impact on eligibility for government benefits.
5	(e) Present value of proposed payment arrangement and the method by
6	which the value is calculated. Court approval of payments to a minor shall be
7	governed by the provisions of Article 4521.
8	* * *
9	Art. 4521. Payments to minor
10	A. When In approving any proposal by which a minor is to be paid funds
11	as the result of a judgment or settlement, the court may order any of the following:
12	(1) That the funds be paid directly into the registry of the court for the
13	minor's account, to be withdrawn only upon approval of the court. Withdrawn
14	funds shall be invested directly in an interest-bearing investment as approved
15	by the court unless the court for good cause approves another disposition.
16	(2) That the funds be invested directly in an <b>interest-bearing</b> investment
17	approved by the court, unless the court for good cause approves another
18	disposition.
19	(3) That the funds be placed in trust in accordance with the Louisiana Trust
20	Code to be administered by an individual or corporate trustee as determined by
21	the court.
22	(4) That the funds be paid under a structured settlement agreement $\underline{\mathbf{a}}\mathbf{s}$
23	approved by the court that provides for periodic payments and is underwritten by
24	a financially responsible entity that assumes responsibility for future payments.
25	(5) Any combination of Subparagraphs (1) through (4) of this Paragraph.
26	B. In approving any proposal by which funds will be paid to an
27	unemancipated minor who is in the legal custody of the Department of Children
28	and Family Services, the court shall order that the funds be placed in trust in
29	accordance with the Louisiana Trust Code and the provisions of Article 4269.1,
30	to be administered by an individual or corporate trustee as determined by the

1 court. 2 C. In determining whether a proposed periodic payment schedule is in the 3 best interest of the minor, the court shall consider the following factors: 4 (1) Age and life expectancy of the minor. 5 (2) Current and anticipated financial needs of the minor. (3) Income and estate tax implications. 6 7 (4) Impact on eligibility for government benefits. (5) Present value of the proposed payment arrangement and the method by 8 9 which the value is calculated. PRESIDENT OF THE SENATE SPEAKER OF THE HOUSE OF REPRESENTATIVES GOVERNOR OF THE STATE OF LOUISIANA

**ENROLLED** 

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APPROVED: